

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Tuesday, July 6, 2010, 4:00 PM
Council Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips

Vice-Mayor Benjamin K. Mallicote
(arrived shortly after roll call)

Alderman Charles K. Marsh, Jr.
(arrived shortly after roll call)

Alderman Larry A. Munsey

Alderman Tom C. Parham

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

Lisa Winkle, Deputy City Recorder

1. **CALL TO ORDER:** 4:30 p.m., by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Gilbert. Absent: Aldermen Valerie Joh and Vice-Mayor Benjamin K. Mallicote.
3. **WORK SESSION TICKLER.** Alderman Parham asked where the Netherland Inn Street light project was located. Public Works Director Ryan McReynolds answered that it comes off Lilac and ties back into Netherland Inn. He added that there were two lights now, but they are not lit like other City streets. Mr. McReynolds stated that he had been in process with CSX and plans to go ahead with non-CSX lights. Those will be installed within the next three weeks. He also added that they have already met with AEP and was told that timeline.

Alderman Marsh asked how much fuel was used in the last fiscal year and previous fiscal years and requested that a report on this year's projected usage be given to the Board. City Manager Campbell said he will have the information in the next few weeks.

4. **HARVARD AWARD UPDATE.** City Grants Specialist Morris Baker mentioned the *Straight to the Top!* Conference on July 26 and 27th at MeadowView Resort and Conference Center. He commended the Steering Committee for putting this conference together and continued to describe the conferences that will be offered.

Mr. Baker explained the \$100,000 budget for the Harvard Award and how the money would be allocated.

In response to the City Manager's question of who is invited, Mr. Baker replied that all schools systems, chamber of commerces, City Managers and elected officials within a 100 mile radius have been invited and they should have good attendance. He also added that the Governor and Dr. Webb, Commissioner of Education have already committed.

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City Manager Campbell said that this conference was purposely set before the date that all Tennessee schools were to turn in their *Race to the Top* paperwork.

5. REVIEW OF AGENDA ITEMS ON JULY 6, 2010 REGULAR BUSINESS AGENDA.

City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.AA.1 Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the Kendrick Creek Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 192-2010).

Mr. Hoyt Denton, 204 St. Charles Place, Kingsport would like the BMA to consider deferring this annexation for the reason that since coming to the Planning Commission, seven other major areas that have City water and sewer will be coming to Planning Commission for consideration as to where future annexation should occur. This would give the Planning Commission ample opportunity to review all eight under same criteria. There are about 121 residential units along that strip. Mr. Denton said the big unknown about this area is the number of students along this major Colonial Heights artery and it costs the City about \$2,000 more per student. As the Planning Commission discussed these other areas, it became apparent that the City needs to think about annexing the neighborhoods so students could plan to continue in same school system.

Alderman Munsey asked if Mr. Denton was speaking as a representative of the Planning Commission or as a citizen. Mr. Denton replied as a citizen, but he has information as result of being on the Planning Commission and we talked about what the impact would be on the taxpayer if this annexation takes place. Alderman Marsh stated that it passed the Planning Commission 5-1 where Mr. Denton voted not to send a positive recommendation. Alderman Marsh said that Mr. Denton's question is one he had – what are we planning to do around this annexation. Senior Planner Ken Weems explained the plan of action for this annexation. He stated that this annexation was requested by a homeowner who wanted his children to attend City schools. He also said there are plans to propose further annexation of many more properties in the future.

Alderman Marsh asked whether the requesting property owner already has City services and Mr. Weems replied that sewer would not be provided as part of this annexation, also at the property owners' request. He said that approximately 460 parcels are being served by City water lines. There are approximately 250 people in the blue striped area of the annexation map and the state shared revenue is around \$85,000 a year, although there will be additional costs in garbage pickup and other services.

Alderman Parham stated that three areas annexed so far are multi-family and are served by City sewer and water and has been a win-win situation for the City. He asked Mr. Weems if this annexation follows the same general guidelines and Mr. Weems confirmed. Mayor

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Phillips said we are going down a road over 4,000 feet to get to one family of five. He asked why wouldn't it make sense to do the entire area once or twice and if schools are the situation for this, is there nothing that can be worked out with the school system in the process.

Alderman Marsh asked if we are annexing, why not annex all the sewer-served basin. Mr. Weems replied that he is working with the Planning Commission to do so. They are trying to take schools into consideration and he is providing a study to the Planning Commission to see how they want to move forward.

Alderman Munsey talked to City Manager Campbell about this – it's not clear that there is a common understanding on what the City is doing in this area. He thinks the BMA needs to have a consensus of opinion on what we're doing before we start annexing. Mayor Phillips replied that the City will annex areas that are served by water and sewer that make economic sense and he doesn't understand why we are bypassing all these properties that will be annexed in the future.

Mr. Weems said this one only came about because it was a request and required taking in almost 5,000 feet of roadway. Mayor Phillips said would it be less expensive to let them go to City schools.

The property owner and his wife are both employed by City schools. They have three children and pay tuition. Mr. Weems offered that the goal is to bring in the entire area within a matter of 6 to 12 months. Alderman Marsh said we do the same paperwork to get that one parcel than to get many more.

Alderman Munsey asked how many students are in the annexed areas and could the schools accommodate them. City Manager Campbell confirmed with Finance Director David Frye that this area would go to John Adams where there is plenty of space and Dobyns Bennett could take in more high school students.

Alderman Marsh said we should be thinking larger since infrastructure is already in place in the area.

Vice-Mayor Ben Mallicote asked what do we gain by doing it in pieces. Mr. Weems said you gain because when you make the decision to annex larger areas one person can shut it all down or delay it for 6-12 months. City Manager Campbell said you can communicate with residents easily in small pieces and prepare necessary paperwork.

Alderman Munsey asked David Frye, if one person is requesting – couldn't City schools have an agreement with them that annexation will be happening and whenever it occurs, you will be reimbursed for tuition you have already paid. Mr. Frye responded that could be a possibility. Alderman Marsh is willing to vote for this annexation if we have a large plan to take in the whole basin where services already exist. Mayor Phillips asked if it will be done at one time or piecemeal. He thinks that part of problem is with county schools.

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Alderman Munsey said we could do as Mr. Denton suggested - to defer and do all at one time. Mr. Weems said the entire area could be all done within one year. Jeff Fleming, Assistant City Manager/Economic Development, said when you have someone who has requested and passed Planning Commission 5-1, it's worthy of consideration not to leave them hanging out there. Mayor Phillips said to maintain the one parcel we take in 4,750 feet of road.

City Manager Campbell said the City will make sure that everyone will be on the City sewer.

Alderman Parham defended Mr. Weems in the process of dealing with the residents and the school systems involved.

Alderman Munsey thinks the process is backwards. BMA sets the directions, and then the Planning Commission and staff carry out that direction. Vice-Mayor Ben Mallicote's concern with this is by annexing this, we commit to annexing the rest of the area and seems reasonable but don't have enough information right now to make that decision. We don't know if there are 200 school-age children or three. Vice-Mayor Ben Mallicote said we have a demographic problem and if the average age is 84, all we've done is compounded that problem significantly. While this seems reasonable, we can't be sure.

Mayor Phillips said he doesn't know how we get better correspondence and many Board members read about it in the newspaper before we ever get to discuss it. Alderman Marsh asked about Warrior Falls (7 lots have been annexed) and Alderman Parham said Planning Commission is planning to move in that direction in the near future.

Alderman Parham defended the Planning Commission – do we accommodate this one person or wait until Planning Commission does its normal job. Mayor Phillips said Planning Commission didn't do anything wrong – just trying to set a policy procedure.

VII.3 Consideration of Authorization for City Recorder to Reconcile and Adjust Uncollectible Property Tax for Year 1999 (AF: 210-2010). Attorney Joe May stated that for tax year 1999 we collected 99.9% of the total taxes, less than one tenth of 1% is in this adjustment and of that amount 2/3 is personal property taxes. This year we have made a major effort to collect personal property taxes. It was noted that Mr. May is doing a very good job in these collections.

VI.D.1 Consideration of a Resolution to Authorize the Mayor to Execute an Amendment to the City's Existing Agreement with PSA-Dewberry to Approve the Next Phase in the Library's Renovation/Expansion Project – which would be the Schematic Design Phase (AF:76-2010). Chris McCartt, Assistant to the City Manager, went over proposed design and made a recommendation to construct new wing (approximately 39,000 square feet); remodel remaining/existing facility (approximately 20,000 square feet); design focuses on many of the principals of a LEED certified building through an architectural process called Integrated Design.

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We are asking for approval of this schematic design phase at a cost of \$178,089 and will provide a model of the facility. The timeline is, if approved tonight, schematic process will take 3 to 4 months. We anticipate bringing on a consultant to help with a fundraising campaign to begin next year and construction of the facility could possibly begin in FY2013 or 2014.

Alderman Munsey said, based upon experience, this would probably cost us minimally \$6 to \$7 million dollars and City Manager Campbell said probably more than that. Alderman Munsey asked what percentage would be raised by private funds. City Manager Campbell said they would like to raise somewhere in the \$2 million range. Alderman Munsey asked if the City could do this without a tax increase and City Manager Campbell replied that is was set out to coincide with debt roll off.

Alderman Marsh asked how much has been spent or allocated to this project to this point. Mr. McCartt said upon completion of this project we will have spent about \$54,000 on the feasibility study and this is \$178,000 and also spent additional money on programming – so we will have about \$35,000 left and that comes from the \$200,000 and \$100,000 bonded this year and the previous year's bond issue.

Mayor Phillips recognized and thanked the Friends of the Library.

VI.D.14 Consideration of a Resolution Authorizing the Mayor to Execute an Agreement with the Sullivan County Humane Society and All Other Applicable Documents (AF: 233-2010). Alderman Munsey asked City Attorney Mike Billingsley to explain this agreement with the Humane Society. City Attorney Billingsley stated that this agreement terminates leases and equipment is turned over to the City. Mr. Billingsley stated that the buildings were built by the Humane Society but the City owns the land. The City will operate the shelter for now but the ultimate goal will be an independent organization receiving funds from Sullivan County, Bristol, Kingsport and Bluff City.

VI.D.19-23 The remaining V.O. Dobbins leases will be presented for approval except for the UETHDA which should be finalized by the first meeting in August.

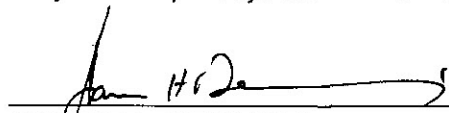
VI.D.28 Consideration of a Resolution Authorizing a Change Order to the Contract with J.A. Street & Associates, Inc. for the Additions and Alterations to the V.O. Dobbins Community Center and Authorizing the Mayor to Execute All Documents Necessary for the Change Order (AF: 231-2010). Alderman Marsh asked who is repairing streets around V.O. Dobbins project and Public Works Director Ryan McReynolds said that Wheatley and Martin Luther are concrete and Lewis and Dunbar are asphalt. Alderman Marsh said Wheatley is destroyed. Mr. McReynolds said they are going to have to cut parts out, patch and tie in actual concrete. He also stated that costs will come out of concrete budget, not charged to this project. Alderman Marsh asked how much. Mr. McReynolds said he doesn't have the Riverview estimate or know it off top of head but will provide that figure to Alderman Marsh.

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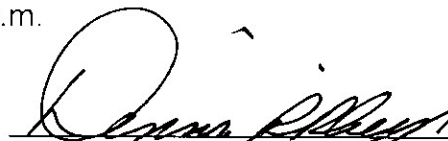
BOARD COMMENT. None

PUBLIC COMMENT. None.

6. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:20 p.m.



JAMES H. DEMMING
City Recorder



DENNIS R. PHILLIPS
Mayor